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Two sponsors of budget analysis withdraw support

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Two high-profile sponsors of an independent analysis of San Diego's budget withdrew from the project yesterday after two weeks of critical remarks from City Council members and others.

Citing errors in the analysis and an overly aggressive approach by the project spokesman, the San Diego Regional Chamber of Commerce and the San Diego County Taxpayers Association announced that they would no longer co-sponsor a 3-month-old effort called the San Diego Citizens' Budget Project.

Mayor Dick Murphy, who welcomed the project as "worthy" in February, also withdrew his endorsement yesterday.

The budget analysis is the work of Carl DeMaio, the 29-year-old president of a San Diego public policy think tank called The Performance Institute. Yesterday, he said neither his numbers nor his attitude would change.

"In reality, our numbers are right, and if we know that these reforms are right for San Diego, we have no option but to continue to go on, to continue to fight," he said. "We have never viewed this project from the eyes of the downtown crowd, and we're not about to start doing that now."

The Los Angeles-based Reason Foundation is the remaining sponsor of the project with The Performance Institute. Both are libertarian-oriented research groups that developed a similar project last year on California's budget.

John Kern, the mayor's chief of staff, and council members had asked the two San Diego business groups to reconsider their involvement in the project, said Mitch Mitchell, the chamber's vice president of public policy, and Lisa Briggs, the president of the taxpayers association.

Briggs said that Lisa Irvine, the city's finance director, also advised her to reconsider being connected with the analysis because of accumulating inaccuracies in reports the budget project issued.

The errors in DeMaio's reports included wrong information about the San Diego firefighters' contract and inaccurate budget totals for the Atlanta mayor's office and the Baltimore City Attorney's Office, which The Performance Institute used for comparisons with those in San Diego.

Mitchell said the chamber's decision to withdraw from the project was made by himself and President Jessie Knight. It occurred after DeMaio gave the council a list of participants from a Tuesday forum by the budget project that contained at least six names of people who did not attend.

Briggs said she wrote DeMaio a letter Tuesday asking the institute to stop using her group's name and logo on any materials. She said her board of directors voted 27-1 two months ago to give her the power to pull out of the project should the group's "research prove inaccurate."

The dissenting vote was cast by someone who wanted to quit the project immediately, she said.

At public hearings this month to review the city's $2.45 billion budget plan for fiscal 2005, DeMaio has said that City Manager Lamont Ewell is understating the city's deficit by tens of millions of dollars through accounting shifts and gimmicks.

DeMaio has offered ways to save more than $100 million next year and in the future by consolidating the city's call centers, disbanding the city attorney's criminal division and outsourcing some jobs, among other ideas.

Councilman Ralph Inzunza has attacked DeMaio's budget analysis at council meetings and said yesterday his savings options are "off target."

Inzunza said DeMaio's call to privatize city jobs is "a thinly veiled plan to really push the right-wing agenda to begin to get rid of city employee union jobs and to outsource them to the private sector for less pay and less health benefits."

In February, Murphy lauded the project and encouraged "all San Diegans" to take part. Yesterday, he said misrepresentations by DeMaio and his staff "call into question their entire credibility."

Despite the departure of the chamber and taxpayers association, DeMaio said he would return next week to the council's budget discussions. He also called it hypocritical for Murphy and the council to criticize his numbers when the city has a deficit-ridden employee pension fund and is the target of a federal investigation into its finances.

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